



Annual Report

1973

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WEST INDIES PLANTATIONS LIMITED

**PLANTATIONS LIMITED
TO THE SHAREHOLDERS**

limited is pleased to present the Annual Report of the

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**WEST INDIES
PLANTATIONS LIMITED**

OFFICERS

D.W. Currie	President
L.D. McCully	Vice-President and Treasurer
B. Lisowski	Secretary

DIRECTORS

A. Chan	St. John, New Brunswick
D.W. Currie	Toronto, Ontario
G. DeCristoforo	Bramalea, Ontario
D.J. Hennigar	Halifax, Nova Scotia
A. Kirby	Montreal, Quebec
J.T. MacQuarrie	Halifax, Nova Scotia
L.D. McCully	Hantsport, Nova Scotia
Wm. Thompson	Toronto, Ontario

HEAD OFFICE

Suite 1425, 44 King St. West, Toronto, Ontario M5H 1E2.

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ajor oil company toward the erection of a refinery at
a physical and economic advantages of this site are
and the ongoing development of this area should add

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offers great promise in helping to meet the growing
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eir thanks to the personnel of your company for the

On behalf of the Board,

D.W. Currie,
President.

SUBSIDIARIES

The Montserrat Company Limited	Montserrat, W.I.
Montserrat Estates Limited	Montserrat, W.I.
The Leeward Islands Company Limited	Montserrat, W.I.
Riverview Realty Limited	St. John, N.B.
The Leeward Islands Company (St. Kitts) Limited	St. Kitts, W.I.
Durable Release Coaters Ltd.	Bramalea, Ont.

AFFILIATE

Greater Naples Development Limited	Toronto, Ont.
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BANKERS

The Royal Bank of Canada	Toronto, Ont. Montserrat, W.I.
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TRANSFER AGENT AND REGISTRAR

Montreal Trust Company Limited	Toronto, Ont.
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SHARE LISTING

Toronto Stock Exchange	Toronto, Ont.
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**WEST INDIES PLANTATIONS LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS**

The Board of Directors of West Indies Plantations Limited is pleased to present the Annual Report of the Company for the year ended September 30, 1973.

Consolidated net profit for the year is \$5,045.00, compared to a loss of \$107,586.00 in 1972. The improvement resulted mainly from improved lot sales in Montserrat which amounted to \$247,514.00 in 1973, compared to \$38,107.00 in 1972.

Montserrat

Government approval for the development of two subdivisions, comprising 100 residential lots was received during the year. Approximately 50 lots were profitably disposed of and additional have been sold during the current fiscal year.

Durable Release Coaters Limited

Your wholly-owned subsidiary has maintained a reasonably profitable operation in Fluorocarbon coatings for consumer and industrial uses. The company is pursuing its programme of research and development in this field and looks forward, with confidence, to the future. The Nylon coating business, which suffered a substantial loss in the past year, has not lived up to its early promise and operations of this company are being suspended.

Riverview Realty Limited

Developments in Saint John, New Brunswick continue to be encouraging. Construction of the thermal generating plant is well underway at nearby Lorneville and a west end industrial park is being developed in the immediate area. Negotiations continue with a major oil company toward the erection of a refinery at the Deep Water Harbour Docking site. The unique physical and economic advantages of this site are understood to be recognized by major oil companies and the ongoing development of this area should add to the potential of our landholdings in the vicinity.

Naples, Florida — (Collier County)

Your company holds a 35% interest in the Greater Naples Development Limited which owns 480 acres in the Naples area.

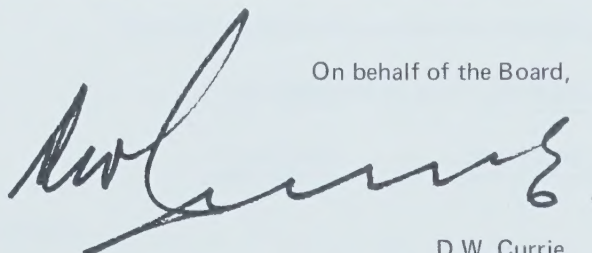
In Phase 1, of its Victoria Park sub-division, we are finalizing development of 55 acres of a 160 acre tract already zoned and have for sale, a substantial area of multi-family lots, together with 112 residential building lots, 31 of which have already been sold.

In Phase 2, which comprises the remaining 105 acres in the sub-division, progress is being made toward obtaining municipal approvals necessary to let the servicing contracts.

A planning consultant has been retained to create a plan for the 320 acre parcel of land to the east of the Town of Naples. This attractive, well located acreage offers great promise in helping to meet the growing demand for residential properties in that desirable area of the state.

The Directors take this opportunity of expressing their thanks to the personnel of your company for the contribution they have made during the past year.

On behalf of the Board,

A large, stylized handwritten signature in dark ink, likely belonging to D.W. Currie, is written over the text "On behalf of the Board,".

D.W. Currie,
President.

January 30, 1974.

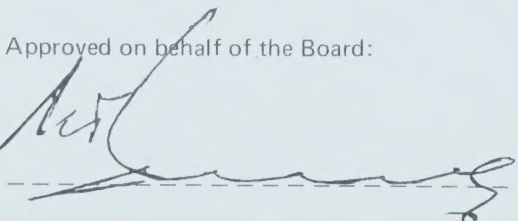
WEST INDIES PLANTATIONS LIMITED
and its subsidiaries

CONSOLIDATED BALANCE SHEET – SEPTEMBER 30, 1973

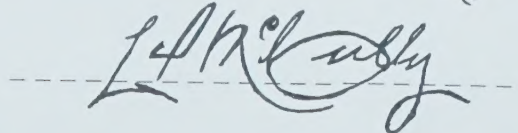
A S S E T S

	<u>1973</u>	<u>1972</u>
Current		
Cash	\$ 17,276	\$ 50,155
Accounts receivable	27,970	35,963
Contracts receivable on homesite sales (Note 3)	528,587	587,313
Product inventories, at lower of cost or market	11,358	13,164
Serviced homesite lots and land held for development (Note 4)	748,240	656,475
Prepaid expenses	<u>21,927</u>	<u>29,193</u>
	<u>1,355,358</u>	<u>1,372,263</u>
Investments		
Cost of minority interest in Private Company Incorporated in Florida, U.S.A. (Note 9)	513,536	—
Cost of minority interest in Private Company incorporated in Montserrat, W.I.	<u>5,100</u>	<u>5,100</u>
	<u>518,636</u>	<u>5,100</u>
Fixed		
Land, industrial and agricultural (Note 4)	416,479	426,215
Buildings (Note 4)	226,786	224,492
Plant and equipment, at cost	<u>191,665</u>	<u>177,547</u>
	834,930	828,254
Less accumulated depreciation	<u>216,407</u>	<u>190,560</u>
	<u>618,523</u>	<u>637,694</u>
Unamortized balance of deferred expenses	<u>44,500</u>	<u>—</u>
Unamortized balance of cost of franchise	<u>2,134</u>	<u>2,495</u>
Unamortized balance of purchased goodwill	<u>22,375</u>	<u>29,834</u>
Goodwill arising on consolidation	<u>72,414</u>	<u>72,414</u>
Total assets	<u><u>\$2,633,940</u></u>	<u><u>\$2,119,800</u></u>

Approved on behalf of the Board:



Director



Director

WEST INDIES PLANTATIONS LIMITED
and its subsidiaries

CONSOLIDATED BALANCE SHEET – SEPTEMBER 30, 1973

LIABILITIES AND SHAREHOLDERS' EQUITY

	<u>1973</u>	<u>1972</u>
Current liabilities		
Bank indebtedness (secured, Note 5)	\$ 99,803	\$ 87,588
Accounts payable and accrued liabilities	35,668	36,651
Income taxes payable	39,811	47,489
Sales and other taxes payable	1,764	956
Mortgage instalments due in current year	6,000	6,000
Notes payable	61,680	53,070
Servicing contracts payable	31,590	72,090
Estimated homesite improvements and servicing costs payable	184,783	45,455
Commissions payable on contracts receivable	75,767	104,827
Deposits received on sales and options	5,930	1,446
	<u>542,796</u>	<u>455,572</u>
Deferred income taxes	<u>11,401</u>	<u>9,901</u>
Long-term liabilities, net of instalments due in current year shown above		
8-1/2% 1st mortgage, payable in equal annual instalments of \$6,000.	36,000	42,000
7-3/4% 2nd mortgage, maturing in equal annual instalments of \$100,000.	400,000	—
Note, due June 1975, interest payable only on default.	2,500	—
	<u>438,500</u>	<u>42,000</u>
Total liabilities	992,697	507,473
Deferred rental income, amortized in equal annual instalments, maturing October, 1985	4,111	4,471
Unrealized profit resulting from devaluation of East Caribbean currency	7,037	—
Total liabilities, deferred income and unrealized profits	1,003,845	511,944
Shareholders' equity (see statement)	<u>1,630,095</u>	<u>1,607,856</u>
Total liabilities and equity	<u>\$2,633,940</u>	<u>\$2,119,800</u>

AUDITOR'S REPORT

To The Shareholders of
West Indies Plantations Limited

We have examined the consolidated balance sheet of West Indies Plantations Limited and its subsidiaries as at September 30, 1973, and the consolidated statements of operations, deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Companies as at September 30, 1973 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
November 21, 1973

Forster Jones Candan
CHARTERED ACCOUNTANTS

WEST INDIES PLANTATIONS LIMITED
and its subsidiaries

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
For the year ended September 30, 1973

	<u>1973</u>	<u>1972</u>
Capital stock		
Authorized		
348,716 class A shares (details below)		
348,716 class A shares (details below)		
949,266 common shares without par value		
Issued		
113,784 class A shares (same in 1972)	\$ 568,920	\$ 568,920
514,957 common shares (494,957 in 1972)	<u>1,207,617</u>	<u>1,172,117</u>
	<u>1,776,537</u>	<u>1,741,037</u>
Contributed surplus arising on purchase of class A shares for cancellation	<u>8,349</u>	<u>8,349</u>
Deficit		
At beginning of year, as previously reported	(141,530)	(30,311)
Increase in loss on foreign exchange of previous years	(16,084)	—
Increase in cost of sales of previous years	(1,250)	—
Increase in income taxes assessed against previous years	(972)	—
Increase in deferred income taxes of previous years	<u>—</u>	<u>(3,633)</u>
As restated	(159,836)	(33,944)
Net profit or (loss) for the year	<u>5,045</u>	<u>(107,586)</u>
Deficit at end of year	<u>(154,791)</u>	<u>(141,530)</u>
Total shareholders' equity	<u><u>\$1,630,095</u></u>	<u><u>\$1,607,856</u></u>

Each class A share is entitled to one vote and non-cumulative dividends at the rate of 6% per annum, is convertible at any time at the option of the holder into one and one-half common shares, is redeemable at the option of the company at \$6. and has a par value of \$5.

During 1973, no class A shares were converted. During 1972, 300 class A shares were converted into 450 common shares. During 1973, 20,000 common shares were issued from the Company's treasury at a value of \$1.775 per share placed thereon by the Board of Directors. The consideration received for the issue was the loaning to the Company of \$450,000. at 7 3/4% interest per annum by the recipient of the shares.

WEST INDIES PLANTATIONS LIMITED
and its subsidiaries

CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended September 30, 1973

	<u>1973</u>	<u>1972</u>
Sales, net	\$514,910	\$ 312,599
Cost of sales	<u>259,733</u>	<u>151,574</u>
Gross trading income	255,177	161,025
Other income		
Interest earned on sales contracts	22,410	24,439
Net income from other real estate operations	<u>13,371</u>	<u>36,107</u>
Gross income	<u>290,958</u>	<u>221,571</u>
Selling, general and administrative expenses	195,345	230,981
Depreciation and amortization	33,905	32,377
Interest on current debt	12,033	13,870
Interest on long-term debt	<u>28,798</u>	<u>3,883</u>
	270,081	281,111
Net loss or (gain) on foreign exchange	<u>(5,323)</u>	<u>30,490</u>
Total expenses	<u>264,758</u>	<u>311,601</u>
Net profit or (loss) before income taxes and minority interest	26,200	(90,030)
Provision for income taxes	<u>21,155</u>	<u>14,829</u>
Net profit or (loss) before minority interest	<u>5,045</u>	(104,859)
Minority interest in profit or (loss) of subsidiary	<u>—</u>	<u>2,727</u>
Consolidated net profit or (loss)	<u>\$ 5,045</u>	<u>\$(107,586)</u>
Net profit or (loss) per share on basis of full dilution of common shares by conversion of all class A shares	<u>1¢</u>	<u>(16¢)</u>

WEST INDIES PLANTATIONS LIMITED
and its subsidiaries

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
For the year ended September 30, 1973

	<u>1973</u>	<u>1972</u>
Source of funds		
Net profit or (loss) from operations	\$ 5,045	\$ (107,586)
Add or (deduct) items not involving current funds		
—depreciation of fixed assets	26,263	(24,558)
—amortization of deferred expenses	3,500	—
—amortization of deferred franchise fee	361	(361)
—amortization of purchased goodwill	7,459	(7,458)
—amortization of deferred income	(360)	360
—increase in deferred income taxes	1,500	(1,364)
Transfer net outlay resulting from operations		
to application of funds	—	74,205
Net source of funds resulting from operations	43,768	NIL
Issue of common shares	35,500	—
Issue of notes on long-term borrowings	455,000	—
Disposal of fixed assets	84	1,416
Servicing and development of agricultural land	9,736	3,046
	<u>544,088</u>	<u>4,462</u>
Application of funds		
Transfer net outlay resulting from operations		
from source of funds	—	74,205
Investment in securities of affiliate	513,536	—
Premium paid on long-term borrowing	35,500	—
Deferred expenses incurred on lease	12,500	—
Additions to fixed assets	16,912	67,826
Retirement of long-term liabilities	58,500	48,120
Net increase in expenses of prior periods	11,269	—
Acquisition of goodwill in purchased business	—	37,292
Net investment in non-current assets		
of consolidated subsidiary	—	49,845
	<u>648,217</u>	<u>277,288</u>
Decrease in working capital	104,129	272,826
Working capital at beginning of year	916,691	1,189,517
Working capital at end of year	<u>\$ 812,562</u>	<u>\$ 916,691</u>

WEST INDIES PLANTATIONS LIMITED
and its subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 1973

1. BASIS OF CONSOLIDATION

The accounts of all subsidiary companies are included in the consolidated financial statements. Income of subsidiaries is taken up only from the date of acquisition of an interest sufficient to give control of the voting capital stock.

2. BASIS OF CONVERSION OF FOREIGN CURRENCIES

Current assets and liabilities other than those concerned with land sales, purchases and development have been converted into Canadian dollars on the basis of \$1. East Caribbean currency equivalent to 51¢ Canadian, the rate in effect at the year end.

All other assets and liabilities, including the exceptions mentioned above, have been converted at the rate which was in effect at the date on which the asset was acquired or the liability arose.

Income and expenses have been converted on the basis of \$1. East Caribbean currency equivalent to 51¢ Canadian, the average rate in effect during the year.

3. CONTRACTS RECEIVABLE ON HOMESITE SALES

As the conversion of the Canadian dollar to foreign currencies has not been set at a fixed rate, contracts receivable on homesite sales have not been written down to realizable value in Canadian dollars, since the average contract has a remaining life of approximately three years and exchange rates can be expected to fluctuate during that time. This exchange profit or loss, if any, will therefore be charged against income as the accounts are collected. As at the year-end, realizable value of the contracts receivable was \$526,600.

4. VALUATION OF LAND AND BUILDINGS

Excepting only one parcel of land valued at its original acquisition cost of \$6,350. land and buildings owned¹ by the company in 1961 are valued on the basis of appraisals thereof dated October 11, 1961 as determined by Cumming — Cockburn & Associates Limited, Registered Professional Engineers, Toronto, Ontario. Additions, improvements and acquisitions subsequent to that date are valued at cost. Costs incurred on land held for future development are included in the land cost as they arise.

5. SECURITY FOR BANK INDEBTEDNESS

The Montserrat Company Limited — indebtedness of \$49,150. (\$96,377. East Caribbean).
— secured by — demand first mortgages on certain of the company's local land and buildings.

Riverview Realty Limited — indebtedness of \$7,412.
— no security

Durable Release Coaters Limited — indebtedness of \$38,000.
— secured by — registered general assignment of book debts
— registered floating charge debenture in the amount of \$75,000.

West Indies Plantations Limited — indebtedness of \$5,241.
— secured by — above floating charge debenture of Durable Release Coaters Limited.

The foregoing are also covered by the guarantee of West Indies Plantations Limited and that company's postponement of its claims against the subsidiaries noted.

6. DIRECTORS' AND OFFICERS' REMUNERATION

Expenses for 1973 include aggregate remuneration to directors and officers of \$33,330. of which \$2,100. was paid as fees to seven directors. The balance was paid as salary to employees of the company and its subsidiaries who are also directors of the company.

7. LEASE COMMITMENTS

The company and its subsidiaries are committed for certain premises occupied under the following leases:

- office space in Toronto, Ontario, at an annual rental of \$2,295. with acceleration clauses re increases in realty taxes and maintenance costs, expires October 31, 1973.
- factory space in Malton, Ontario, at an annual rental of \$4,240. with acceleration clause re increase in realty taxes, expires October 31, 1975.
- factory and office space in Bramalea, Ontario at an annual rental of \$18,687. plus all expenses of operating and maintaining the building, with option to purchase up to the expiry date of August 14, 1979.

8. DIVERSIFICATION OF OPERATIONS

Operations in the industrial coatings division provided \$259,985. of the consolidated sales and suffered a net loss of \$3,901.

Operations in the real estate industry provided all other income during the year.

9. INVESTMENT IN AFFILIATE

During the year the Company entered into an agreement to acquire 48% of a Company formed for the purpose of developing for sale certain property in the State of Florida. The company assigned its rights to 13% of the new company to others at cost. The company and the controlling shareholder of the affiliate are both bound by the buy-sell terms of the agreement, which terms may be brought into effect after October 20, 1974. Under these terms, should either party offer to buy out the interest of the other in the affiliate, the offering party must also offer to sell out its interest at the same price, and one or the other offer must be accepted.



6. DIRECTORS' AND OFFICERS' REMUNERATION

Expenses for 1973 include aggregate remuneration to directors and officers of \$1,000. The balance was paid as salary to directors of the company.

7. LEASE COMMITMENTS

The company and its subsidiaries are committed for certain

— office space in Toronto, Ontario, at an annual rental of \$1,000 and maintenance costs, expires October 31, 1973.

— factory space in Malton, Ontario, at an annual rental of \$1,000 expires October 31, 1975.

— factory and office space in Bramalea, Ontario at an annual rental of \$1,000 maintaining the building, with option to purchase up to 10,000 sq. ft.

8. DIVERSIFICATION OF OPERATIONS

Operations in the industrial coatings division provided \$2,000,000 and \$3,901.

Operations in the real estate industry provided all other income.

9. INVESTMENT IN AFFILIATE

During the year the Company entered into an agreement with a subsidiary developing for sale certain property in the State of Florida. The company and the controlling interest in the subsidiary are equal. The terms of the agreement, which terms may be brought into effect by either party offer to buy out the interest of the other in the subsidiary at the same price, and one or the other offer must be accepted.

